

PROMISSORY NOTES

FROM CRISIS TO COMMONS

MIDNIGHT NOTES COLLECTIVE
AND FRIENDS



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The bullet that pierced Alexis's heart was not a random bullet shot from a cop's gun to the body of an 'indocile' kid. It was the choice of the state to violently impose submission and order to the milieus and movements that resist its decisions. A choice that meant to threaten everybody who wants to resist the new arrangements made by the bosses in work, social security, public health, education, etc. —Translated from a flyer, "Nothing will ever be the same," written and distributed December 2008 in Greece.

CRISIS: WHAT IT IS, WHAT IT IS NOT

After five hundred years of existence, capitalists are once again announcing to us that their system is in crisis. They are urging everyone to make sacrifices to save its life. We are told that if we do not make these sacrifices, we together face the prospect of a mutual shipwreck. Such threats should be taken seriously. Already in every part of the planet, workers are paying the price of the crisis in retrenchment, mass unemployment, lost pensions, foreclosures, and death.

To make the threats more biting, there are daily reminders that we are in an era when our rights are everywhere under attack and the world's masters will spare no atrocity if the demanded sacrifices are refused. The bombs dropped on the defenseless population of Gaza have been exemplary in this regard. They fall on all of us, as they lower the bar of what is held to be a legitimate response in the face of resistance. They amplify a thousand-fold the murderous intent behind the Athenian policeman's fatal bullet fired into the body of Alexis Grigoropoulos in early December of 2008 (described in the epigraph above).

On all sides there is a sense that we are living in apocalyptic times. How did this "end-of-times" crisis develop, and what does it signify for anti-capitalist/social justice movements seeking to understand possible paths out of capitalism? This pamphlet is a contribution to the debate on these questions that is growing ever more intense as the crisis deepens and the revolutionary possibilities of our time open up. We write it in an attempt to penetrate the smokescreen now surrounding this crisis that makes it very difficult to devise responses and to anticipate the next moves capital will make. All too often, even within the Left, explanations of the crisis take us to the rarified stratosphere of financial circuits and dealings, or the tangled, intricate knots of hedge-funds/derivatives operations—that is, they take us to a world that is incomprehensible to most of us, detached from any struggles people are making, so that it becomes impossible to even conceptualize any forms of resistance to it.

This issue was written
by members and friends of Midnight Notes.

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Our pamphlet has a different story to tell about the crisis because it starts with the struggles billions have made across the planet against capital's exploitation and its environmental degradation of their lives.

Crises in the 21st century cannot be looked at with the eyes of the 19th, which did not see class struggles as an important source of crises, but rather considered them to be automatic, inevitable products of the business cycle caused by the capitalist "anarchy of production." An intervening century of revolutions, reforms, and world wars has led to a revised view. First, a distinction between a real epochal crisis and a recession was recognized. The latter is a state of "disequilibrium" (i.e. part of the normal dynamic of the "ordinary run of things" periodically meant to discipline the working class). The former is an existential condition that puts the "social stability" and even the survival of the system into question. A second revision was the recognition that recessions and crises are not totally out of human control; they can be strategically provoked, precipitated, deferred, and deepened.

promissory [prāmasōrē]
adjective chiefly Law
conveying or implying a promise:
statements that are promissory
in nature [promissory words.

• *archaic indicative of something to come;*
full of promise: "the glow of evening is promissory
of the splendid days to come."

and:

promissory note, noun,
a signed document containing a written
promise to pay a stated sum to a specified person
or the bearer at a specified date or on demand.

Capitalism's acclaimed automatic tendency to the full-employment of labor, capital, and land has long been disconfirmed by history. By the 1930s, even bourgeois economists saw that it might be necessary in real crises for the government to pull, kick, and stimulate the system when stuck far from full employment. But in devising tools to overcome the crisis of the Great Depression, they also realized that they could plan crises and recessions. Crises can never be eliminated, but they can be hastened and deferred by governmental action. Though dangerous, they can be used as opportunities to deliver coups in class confrontations to keep the system alive. They are the "limit experiences" of capitalism, when the mortality of the system is felt, and it is widely recognized that something essential must change—or else.

The last century has also shown the importance of class struggle in shaping crises, for workers (waged and unwaged, slave and free, rural and urban) have historically been able to precipitate capitalist crises by intensifying the contradictions and imbalances inherent in the system to the breaking point. This capacity makes it possible to understand workers' revolutionary potential: If they cannot put capitalism in crisis, how can they have the power to destroy capitalism in a revolutionary opening?

However, one thing remains true of genuine crises from the 19th century until now: they are the occasions of revolutionary ruptures. As Karl Marx insisted in 1848, crises' "periodic return put on trial, each time more threateningly, the existence of the entire bourgeois society." So for him, the approximately five-to-seven year business cycles end in crises when all of capitalism is put in question.

The word "crisis" gets meaning from its origin in medicine: "a point in the course of disease when the patient either descends to death or returns to health." In this case, the patient is capitalist society. That is why for Marx and his comrades the approach of a crisis was closely watched with much excitement, even glee, since it signaled to them the possibility of a revolution. They were confident that the system's ever-deeper crises would soon lead to the sounding of its death knell and the expropriation of the expropriators!

It is with this knowledge, from this perspective, and with a cautious joy that we approach the present crisis. Our discussion is in five sections:

- (i) the long-term sources of the crisis;
- (ii) its immediate causes and consequences;
- (iii) the opportunities it affords to each class;
- (iv) the constitution of commoning, i.e., the rules that we use to share the common resources of the planet and humanity;
- (v) and the nature of revolutionary struggles arising out of the crisis.

CRISES PAST AND CRISIS PRESENT: FROM KEYNESIANISM TO NEOLIBERALISM AND GLOBALIZATION

A comparison is often made between the present crisis and the Great Depression, and, by extension, a capitalist "solution" is often sought after in a replica of the New Deal. However, the profound differences between Great Depression and the present crisis prevent a return to New Deal policies.

Similarities between the two crises abound, of course. In both crises, the epicenter lay in speculative investments. Both crises can be seen as the results of capitalists' refusal to continue to invest in production in the face of diminishing returns. Most importantly, both crises can be read as products of over-production and under-consumption, resulting in gluts and a fallen rate of profit, all of which combine to freeze new investment and instigate a "credit crunch."

Many left analysts hypothesized that these common trends in capitalist society have led to "over-accumulation" or "stagnation"—in other words, to the inability of capitalists to find investment opportunities in commodity production that would provide an adequate rate of return. The argument is that, in a sense, capitalism was too successful in the 1980s and 1990s: it destroyed US workers' power to such a degree that they no longer struggled for wages high enough to buy the commodities produced, thus causing gluts, over-capacity, under-investment, etc. The emerging Leftist theory of our present crisis emphasizes the commercial failure of the system that led to a profits crisis. This is often called the "realization" problem, i.e., commodities are over-produced and the working class's demand is restricted (to preserve profits), leading to under-consumption and difficulty investing in manufacturing industries at an acceptable rate of profit. The drive to make profits by attacking workers' wages undermined the very condition of profitability, since the commodities produced must be bought to make a profit!

The result, it is argued, is the "financialization" of the economic system, where, because investment in production is no

longer profitable enough, more and more capital has been invested into making speculative loans and complex hedging bets. This financialization has benefited from and strengthened the effort to monetarize and marketize all actions within society, from eating dinner to planting seeds in a garden.

Indeed, it was the very objective of the dominant economic strategy of the last thirty years (often called "neoliberalism") to bring the world economy back to a pre-New Deal stage of "free market" capitalism—hence the similarities of the two crises. In this sense, today we can also say that capital is paying the price for its calculated disconnect between over-production and under-consumption. Ideally, over-accumulation can eventually be corrected by destroying and/or devaluing various forms of capital: unsold commodities, the means of production, and the wages of millions. FDR rejected this path (which had been the advice of the paleo-liberal economists who advised Herbert Hoover), because it seemed that revolution might result from the devastation wreaked by devaluation. Instead, FDR proposed the New Deal.

The New Deal solution—a combination of (1) the institutional integration of the working class through the official recognition of unions, (2) the stipulation of a productivity deal where increased wages would be exchanged for increases in productivity, and (3) the welfare state—is not in the cards today. The New Deal was struck in the context of an organized, rebellious workforce in the US, empowered by years of marches, by revolts against unemployment and evictions, and by thousands ready to march on Washington with their eyes turned to the Soviet Union.

We are in a very different world now. Although class struggle continues, in no way can today's waged and unwaged workers in the US match the political power and organizational level they achieved in the 1930s. The Keynesian policy (named after the economist and philosopher John Maynard Keynes) that inspired and theoretically justified the New Deal was wiped out by the long cycle of waged and unwaged workers' struggles, which in the 1960s and 1970s attempted to "storm the heavens" and transcend the New Deal. These struggles circulated from the factories through the schools, the kitchens and bedrooms, as well as the farms of both the metropolises and the colonies, from wildcat strikes, to welfare office sit-ins, to guerrilla wars. They challenged the sexual, racial, and international division of labor with its unequal exchanges and legacy of racism and sexism. In a word, Keynesianism was undone by the working class (waged and unwaged) in the 1970s.

Moreover, it was in response to these very struggles that by the mid-1970s capital in turn declared "an end to Keynesianism" of its own and for a short time even adopted a program of "zero growth." This was just the prelude to the deepening of crisis in the early 1980s and to the broad reorganization that went on under the name of "neoliberal globalization" aimed at destroying the victories of the international working class: from the end of colonialism to the welfare state. Therefore, the crisis we are facing today is twice removed from that culminating in the Great Depression. It is problematic to use the 1930s as our guide for the next period, since the political composition of the working class in the US and internationally has changed so radically. It is more useful to consider the plan neoliberal globalization was intended to realize and to evaluate why only three decades later it has led to a new crisis.

Neoliberalism's overall solution to the crisis of Keynesianism was to devalue labor power, reconstitute wage hierarchies, and re-

duce workers to the status of apolitical commodities (as they were considered in the bourgeois economics of the 19th century). Neoliberalism took many forms in response to the different composition and intensity of workers' power: relocation of the means of production, deterritorialization of capital, increasing the competition among workers by expanding the labor market, dissipation of the welfare state, and land expropriation (see MN, 1997). It was a precise (and, at first, successful) attack on the three great "deals" of the post-WWII era, what we in the past (following P.M., 1985) have called the A-deal (the Keynesian productivity deal), B-deal (the socialist deal), and C-deal (the post-colonial deal).

*[A-deal] In the US and the UK, Reagan's defeat of the air traffic controllers' strike in 1981 and Thatcher's defeat of the miners' strike in 1985 were followed by an orgy of union-busting campaigns and continual threats to sabotage social security pensions and other guarantees (the "safety net").

*[B-deal] The ultimate triumph of neoliberalism was the breakup of the Soviet Union, the collapse of the socialist states of Eastern Europe, and the Chinese Communist Party's decision to embark on the "capitalist road."

*[C-deal] In the "Third World," the debt crisis gave the World Bank and the IMF the ability to impose Structural Adjustment Programs (SAPs) that amounted to a process of recolonization.

In other words, with the arrival of neoliberalism, all previous deals were off. Together, these developments ended the "mutual recognition" of working class and capital by fomenting worldwide workers' competition through the creation of a true global labor market. Capital could now sample workers like a bee in a field of clover.

The consequence of these combined developments was that by the 1990s the first sign of the inability of the system to digest the immense output disgorged by its multitudes of sweatshop workers worldwide appeared. According to this argument, the culmination of the 1997 Asian crisis was the stimulus for the full financialization of the system—the attempt to "make money from money" at the most abstract level of the system once making money from production no longer sufficed.

Capital's flight into financialization is one more move in the neoliberal effort to continually shift the power relation in its favor. Faced presumably with diminishing returns in the "real economy" and an inability to sell their goods, capitalists made two important moves: on one side, they leaped to the world of hedge funds and derivatives, and, on the other, intensified the availability of credit for the US working class, so that US workers would buy the goods that workers in China and other (mostly Asian) nations continued to produce at extremely low wages (compared to the US). The success of this game—whose eminent goal was deferring crisis—depended upon the high profits capitalists operating in China and in Third World nations could accrue because of the low wages, which were then invested in credit markets in the US, enabling growing financialization. This circuit came to an end only at the point in which the enormity of (both workers' and capitalists') debt sent its underwriters into a panic flight.

This account explains much, but it leaves out an important detail: though over-production and under-consumption reduce the rate of profit, why is the resulting reduced rate of profit inadequate for capitalists to want to re-invest? Take an average capitalist: if s/he sold all the commodities produced in his/her firm, s/he would receive a 100% rate of profit; but with the "realization" problem, s/he

only receives a 50% rate. Would that not be adequate? Even with a realization problem that required the destruction of half of what is produced, capitalists might still make a sizeable profit rate. This "inadequacy" is not inherent to capital in the abstract. Rather, it is based on capitalists' determination to make more, to demand a more rapid expansion of the system and of the profits of its owners. When capitalists deem a field of investment possibilities "inadequate," it means that the average rate of profit currently available is less than their expectation based on past experience. What, however, are the causes of an actual decline in the planetary rate of profit?

An actual fall is rooted in many factors, but there are two that are especially crucial for us: capital's inability (a) to increase the rate of exploitation by decreasing wages; and (b) to reduce the value of the constant capital (raw materials, especially) involved in the production of a commodity. The latter is especially due to the inability to pass along to workers the cost of the environmental damage caused by the extraction of the raw materials and the production of commodities. That is why the impacts of "economic" and "ecological" struggles on the average rate of profit are hard to distinguish in this crisis.

Let us consider the consequences of both (a) and (b).

(a) Globalization has helped to reduce wages in the last three decades in the US by bringing manufacturing production to the "periphery" (especially to China in the last decade), where prevailing wages are just a fraction of US workers'. If wages remained low there, the deal between US and Chinese capital would have been stable. Chinese workers would have provided super-profits for US capitalists and super-cheap commodities for US cash-strapped US workers. However, though wages are relatively lower in China than the US, they have been rising rapidly. The Chinese average nominal wage has risen about 400% in the decade between 1996 and 2006, while the Chinese average real wage has risen by 300% between 1990 and 2005, with half of that increase between 2000 and 2005. This can have a profound effect on profitability long before wages in China become comparable to those in the US.

It would help to look at a simple hypothetical numerical example to appreciate this point: the wage of a Chinese worker might be a tenth of a US worker's wage, and the rate of profit for a factory with relatively little investment in machinery in China might be 100%. Though the doubling of the Chinese workers' wages would still make his/her wage one fifth of a worker in the US, other things being equal, the rate of profit would have fallen to 50%.

Thus, wage increases can cause a dramatic fall in the rate of profit without wages necessarily becoming equal in purchasing power to the wages of a Western European or North American worker. The first large-scale taste of this phenomenon in the neoliberal period was the workers' mobilizations in Korea and Indonesia that were the basis of the famous "Asian financial crisis" of 1997 we chronicled in "One No and Many Yeses" (MN, 1997).

The lowering and stagnation of average wages in the US (but still at a relatively high level from a global perspective) has been accompanied by increases in Asian workers' wages that challenged the rate of profit long before they came close to being equivalent to wages in the US. Super-high levels of profitability can disappear well before suburbia, the car, and the Gucci handbags arrive en masse.

This problem of "realizing" the surplus value in the face of the actual or impending confrontation with workers struggling for higher wages and greater power at work led capitalists to turn to other avenues to earn the rates of return that they desired. But there



is an inherent problem in this move as well: the ability to increase interest revenue though financialization is limited by the surplus value created in production and reproduction throughout the global capitalist system. The crisis in the financial sector arises from the confrontation with this limit. Since financial gains are—however indirectly—finally also extracted from real labor, one can readily understand that even a modest increase in Chinese wages could pull the rug from under the financial house of cards.

(b) The ecological/energy moment of the crisis appears most directly here. The reduction of the costs of constant capital can lead to an increase in the profit rate, but it crucially depends upon being able to “externalize” the harm it causes (i.e., to force those harmed by the pollution of raw material extraction, by the climate change caused by industrial production, or by genetic mutation produced by the spread of genetically modified (GM) organisms to quietly and continually submit to it without demanding that it cease). It is only when there is a mass refusal to allow this externalization to pass that ecological issues become “pressing” and an “emergency.” Unless there is struggle against the harm and the tacit assumption of the costs, ecological damage is an aesthetic phenomenon like the smog in a Monet painting.

This struggle has now come out of the shadows and is threatening profitability throughout the system. There is a worldwide recognition that we aren’t just in another round between workers and capitalists to see how to organize the economy; we are facing catastrophic climate change and generalized social and environmental breakdown in a world where “the civilization of oil” has placed a great part of humanity in cities and slums that were already

reaching their breaking point before the crisis set in. It’s frightening to see Mexico, for instance, with so many people barely surviving and the State and other oligopolists of violence already so intense, poised on the brink, with migrants returning from the USA... to what? One community recently came out with guns to cut off water to another that they considered was taking too much. What will happen when—as the scientists say is already determined—the average heat in these latitudes has increased three degrees, when every summer is as hot or hotter than the hottest on record?

There clearly cannot be any more profit-making business as usual. Indeed, in its disciplinary zeal, capitalism has so undermined the ecological conditions of so many people that a state of global ungovernability has developed, further forcing investors to escape into the mediated world of finance where they hope to make hefty returns without bodily confronting the people they need to exploit. But this exodus has merely deferred the crisis, since “ecological” struggles are being fought all over the planet and are forcing an inevitable increase in the cost of future constant capital.

So on both counts, with respect to wages and ecological reproduction, the struggles are leading to a crisis of the average rate of profit (and the rate of accumulation) and imposing a limit on the leap into financialization.

2. THE CRISIS OF NEOLIBERALISM: CAUSES AND CONSEQUENCES

Neoliberal globalization was an ambitious project. Had it succeeded, it would have changed the very definition of what it is to be human into “an animal that trucks and barter[s] him/herself to the highest bidder” and would have returned labor power to its

status in pre-Keynesian economics: a pure commodity receiving its value from the market. Why did neoliberal globalization fail?

To answer this question, we must turn to the struggles that people have made. Even though US workers may not display the level of militancy they had in the 1930s, broad movements have risen worldwide that in our view must be recognized as sources of the crisis. Certainly, these are not the only factors and possibly not the most immediate ones. Undoubtedly, for example, the lack of regulations on financial transactions was a factor in the non-linear complexity created by the meta-gambles in the derivatives trading that have destabilized the “markets.”

Yet even the financial de-regulation that began under Carter and continued afterwards under Reagan, Bush, Clinton, and Bush was a moment of class struggle. De-regulation began in response to accelerating inflation that was due—in reality as well as in the minds of policy makers—to the power of US workers (on average) to raise money wages fast enough to prevent capitalist price increases (of food, energy, etc.) from cutting their real wage throughout the 1970s—a power that undermined the hoped-for conversion of OPEC into a financial intermediary and of petrodollars into vehicles for transferring value from workers’ income into profit-earning investments.

The IMF’s Annual Reports from that decade reveal that by 1975 inflation was being identified as the number one economic problem in the world, and a key source of that inflation was identified as “structural rigidity in labor markets,” IMF-speak for workers’ power. By the time Carter and Volcker acted, accelerating inflation had driven many real interest rates below zero and threatened the viability of the whole financial sector. The strategy of de-regulation included, among many things, the removal of anti-usury laws throughout the US that allowed interest rates to rise into the double-digits. It was a response to the power of workers to not only raise wages and other forms of income to the point of undermining profits—despite the capitalist recourse of basic good price manipulation and floating exchange rates—but also to block any recovery in the rate of growth in productivity at the point of production.

Many of the struggles in the 1970s in the US eventually were defeated, but since then there has been a new generation of struggles, both in the US and internationally, against neoliberal globalization that has proven decisive.

We focus on some of these struggles as conditions for the understanding of the political questions posed by the Crisis. Schematically, the sources of the Crisis include:

- (1) the failure of neoliberal globalization’s institutional changes;
- (2) the failure to neoliberalize the structure of the oil/energy industry;
- (3) the inability to control wage struggle (especially in China);
- (4) the rise of land and resources reclamation movements (Bolivia, India, Niger Delta);
- (5) the financialization of class struggle though the expanded use of credit in the US to supplement the fallen and stagnant real wage;
- (6) and the inclusion of blacks, latinas, recent immigrants, and women into the “ownership society,” undermining class hierarchy.

(1) Neoliberal globalization depends upon a framework of laws and rules that eliminate barriers to commodity trade and financial

transactions, especially those transactions that emanate from the US, Japan, or Western Europe. The process of elimination began in the Keynesian era (with GATT), but took institutional shape with the formation of the World Trade Organization in 1994. The WTO had an ambitious agenda of realizing the globalization of traditional trade and money transaction, but also services and intellectual property. It looked like nothing could stop this agenda from realization. But it was stopped by a surprising convergence of:

(a) anti-structural adjustment riots and rebellions stretching from Zambia in the mid-1980s, through Caracas in 1989, to the Zapatistas in 1994;

(b) the anti-globalization movement in Western Europe and North America and its street demonstrations and blockades at the WTO, IMF, World Bank, and G8 meetings;



(c) and the many Third World governments that refused to completely give away the last shreds of sovereignty (especially over their agricultural production) to organizations like the WTO, the IMF, and World Bank that were dominated by the US, Japan, and Western Europe. The reasons for this were not purely “patriotic;” they had much more to do with the power of the farmers’ movements in their territory and the threat they posed to their own “sovereignty.” The Doha Round at the WTO finally perished in particular because the Indian government officials just couldn’t give away any more on agriculture—although they would have loved to sacrifice their peasants for some high-tech stuff. The Indian movements have been mobilizing by tens and hundreds of thousands over the decade from 1998 to 2008 to stop WTO (not to mention the Philippino, Korean, and Bangladeshi farmers).

Though often ignorant of each other’s actions and intents, these rebellions, street demos, and “insider” resistances de-legitimized the “earth is flat” globalization ideology and the attempt to enclose the world’s remaining subsistence and local market farmers.

(2) The second moment of failure was the attempt to revive the flagging neoliberal globalization project after 1999 by war, especially in an effort to transform the oil and gas industries into ideal neoliberal operations through the invasion and occupation of Iraq (MN, 2002). This failure has been caused by an armed resistance that inflicted tens of thousands of casualties on US troops, but that, in turn, has suffered hundreds of thousands of deaths and injuries. It has had enormous consequences for neoliberal globalization. First, after six years of

war in Iraq, the most basic of industries—the oil and gas industry—still is organized, both in Iraq and around the world, by two forms that are anathemas to the neoliberal doctrine: the national oil company and the international cartel (OPEC) that tries to influence the market price for oil. Second, the leader of the neoliberal project, the US, has been severely weakened both militarily and financially by the effort. This has become most evident when the US government was declaring victory (due to “The Surge”). It simultaneously was told by its own Iraqi “puppets” to leave the country by 2011, to dismantle its bases, and not to expect to see a neoliberal “Oil Law” soon! Surely the “puppets” spoke so harshly to their masters because they feared the violent reaction of the Iraqi people to the attempted give away of Allah’s hydrocarbon gift.

(3) The neoliberal project of the “refusal of wages” has been quite successful in the US where the real wage has never regained its 1973 peak. That is why one cannot find a source of the crisis in the US wage struggle as one can for the crisis of the 1970s. All the typical indices of such struggle (e.g., strike activity) in the US have been depressed. There have been defensive struggles waged, with some success, to limit attacks on non-waged income, e.g., social security, medicare, and food stamps. Moreover, there have been ongoing struggles against other attacks on the working class, e.g., on the terrain of women’s rights, environmental protection, etc.

However, the neoliberal project depended on the ability to use competition in the international labor market not only in the US but throughout the world. This project has failed, especially with respect to Asian countries. We saw the failure of this control in Korea and Indonesia during the lead up to the Asian financial crash in 1997 (see MN, 1997). The major failure of this strategy since then has been in China, where the level of wage struggle has taken on historic dimensions, with often double-digit wage increases as well as thousands of strikes and other forms of work stoppages.

(4) The “New Enclosures” have operated through Structural Adjustment Programs and the fomenting of war that were meant to expropriate people throughout the Third World of their attachment to their communal land and its resources. Certainly, they have driven millions of people from their land and communities in Africa and many parts of the Americas, if the increase in immigration rates and numbers of refugees is any indicator. But there has also been a powerful response to the attack on common lands and resources throughout Asia (especially in India and Bangladesh), in much of South America, and in parts of Africa. The Bolivian “water” and “gas” wars of the last decade have made it clear that the effort to privatize vital resources is a risky enterprise. Similar limits are being experienced in oil production in the Niger Delta, where there is now an ongoing war of appropriation waged by groups like the Movement for the Emancipation of the Niger Delta (MEND); such groups are demanding that the people of the Delta be recognized as communal owners of the petroleum beneath their oil, against the Nigerian government and the major oil companies. Indeed, there is a political limit being reached in oil exploration and extraction that Steven Colatrella has aptly called a “political Hubbert curve.”

(5) The main function of the financialization of capital was to buffer accumulation from working class struggle by putting it beyond its reach and by providing a hedge against it by making it pos-

sible for capitalists to bet against the success of their own investments, hence providing insurance in any eventuality. What capitalist does not want to be able, for a small payment, to protect him/herself from a dramatic devaluation of the currency of the country they are investing in due to a spate of general strikes, or from the bankruptcy of a company that they are dealing with due to workers’ wage demands?

Paradoxically, however, neoliberalism has thrown open a new dimension of struggle between capital and the working class within the domain of credit. For a whole set of credit instruments and speculative investments were offered to US workers, from sub-prime mortgages, to student loans, to credit cards, to 401(k) pension management schemes. Workers used them because their inability to project their collective power on the job to achieve significant wage increases, guarantees for pensions, or health care forced them to try to expand into the financial realm. With the dismantling of the so-called welfare state, workers in the US had to pay a greater share of the cost of their own reproduction (from housing and health care to education) at the very moment when their real wages were falling. Workers demanded access to these requirements for reproduction through the credit system. Capital’s “sharing” with workers of accumulated value through making credit available comes at a price: that workers’ desires for access of the means of reproduction (home, auto, appliances, etc.) are aligned with capitalists’ desires for accumulation. “Financialization” is not simply a capitalist plot; it too is a process and product of class struggle. True, there is an element of necessity in workers’ response to the attack on their conditions of reproduction, but without necessity there is no agency either.

The entrance to the credit system is no workers’ paradise, of course. Borrowing and the accompanying interest payments depress wages, sometimes quite substantially, and credit ties workers to the real estate and stock markets. However, it is an important achievement for workers to be able to “use someone else’s money” in order to have a home without worrying about rent increases and be paying the owners’ mortgage and his/her taxes, to have the desire (real or fancied) evoked by a commodity satisfied today, to have access to education that might make for higher wages in the future, and to have an automobile that makes a wider range of jobs and social contacts possible in the lonely landscape that life in the US often presents. This dangerous working class strategy hovered between using the credit system to share in collective wealth and debt peonage!

In a way, though neither “consciously” nor in a coordinated manner (as so many things happen in capitalist society), many in the US working class have collectively attempted to turn the neoliberal vision of transforming everyone into “rational economic” agents against the system itself by taking the Bush Administration’s “ownership society” rhetoric at its word. In so doing, they have brought the system into a crisis by implicitly threatening to refuse to pay their debt, i.e., to leave the key in the mailbox and walk out. As was pointed out long ago, if you owe the bank \$1000 and you can’t pay, you are in trouble; but if you owe the bank \$1,000,000,000 and you can’t pay, the bank is in trouble. What is often not mentioned is that if 1,000,000 people each owe the bank \$1000 and can’t pay, then the bank is still in trouble!

Financialization was meant to provide capital with a shield against the indeterminacies caused by class struggle, but it invited the working class into its very breast. This attempt by financial capital to play both sides of the equation (i.e., to have capital pay for

protection against struggle and at the same time bring the presumably “tamed” agents of that struggle into the financial machine) is one basis of the contemporary crisis. True, though the working class’ share of the total debt is sizeable, it is much smaller than US corporate or state debt. However, its quality is different. Corporate debt is intra-class, while national debt is omni-class, but working class debt is inter-class and potentially creates the greatest tension.

(6) This double character of financialization was intensified by the struggle of workers previously excluded from access to credit (blacks, latinas, recent immigrants, single women, and poor whites) to enter into the charmed circle of home mortgages, student loans, and credit cards. Financial capital significantly opened up to these new creditors in the 21st century, who previously could only borrow under the most onerous conditions from loan sharks and pawnshops. It answered their desire to be able to have legal claim to a house, car, desired commodities, and a better paying job, but with poison pills: sub-prime mortgages whose interest payments would balloon after three years, credit cards whose interest rates approached loan shark levels, student loans that would turn graduation into an entrance to wage slavery. These workers’ pressure to be included into the neoliberal deal—i.e., one can have access to social wealth only on an individual basis and via non-wage income—was answered affirmatively by capital in the first years of the 21st century. It proved to be the initial point of destabilization of the credit system.

Does the deepening and widening of the circulation of credit into the working class mentioned in (5) and (6) deserve to be called a “struggle”? One might well question such a formulation, given the immediate denouement of the story—millions of foreclosures and bankruptcies, etc. But there is no doubt that there has been a struggle over conditions of payment and of bankruptcy (extending to workers), as well as struggles over legislation that would “rescue” homeowners from foreclosure. Many on the Right have taken this “credit revolution” as the cause of the crisis, since it let too many of the “unworthy” into the inner sanctum of credit. But this does not invalidate the actual struggle that had been launched by black workers from the 1960s on against “redlining” and other forms of credit discrimination. After all, debtors’ struggles have traditionally been basic to the analysis of class history since ancient times. Why should these be excluded in the class analysis of the 21st century?

We do not attach a “price tag” to these six moments of struggle. Along with many other conjunctural factors, they combined to create a crisis of historic proportions in 2008. The failure of Neoliberalism’s Wage and War doctrines, Globalization, New Enclosures, Financialization and the Crisis of Inclusion together not only produced the economic “downturn,” but the logical contradictions that infest them are transforming the present recession into a real crisis. It might be possible for there to be a “recovery” (as measured by increased GNP) in the near future, but if the contradictions are deepened and the failures intensified, capitalism could become “history.”

3A. CAPITAL’S IMMEDIATE RESPONSE TO THE CRISIS OPPORTUNITY

This crisis gives capital an opportunity in at least three aspects: (i) the reorganization of the power relation between financial capital and the rest of the system, (ii) the disciplining of the US working class’s role as a debtor and player in the financial system,

and (iii) the justification of environmental plunder, wage reduction, and land expropriation in the Third World through a revival of the “debt crisis.” Let us take each one in turn:

(i) *Financial Capital’s Agony or its Renaissance?*

This crisis begins as a financial crisis (i.e., as the inability to pay back the principal and interest on debts or to pay for lost wagers made on a grand scale). Though most crises have a financial aspect, this clearly is one that poses fundamental challenges to the system’s fate, for it makes a major transformation of the order and hierarchy within the sectors and phases of capital inevitable.

Will the crisis be the opportunity (in return for the enormous amount of capital that the financial sector is demanding of the state) to call for a complete halt or at least draconian regulation of many of the financial practices (especially Collateralized Debt or Mortgage Obligations, Structured Investment Vehicles, Credit Default Swaps, credit derivatives of all sorts, and maybe even of offshore banking—tremble little Switzerland!) whose collapse have put the everyday operations of industrial, commercial, and service companies large and small into jeopardy? Or will financial capital hold the rest of the system hostage by threatening to shut off lending and bring the credit system to a halt unless it gets its debts secured by the government on its terms?



We see an aspect of this conflict in the struggle over the “bail out” of the “Big Three” automakers versus the almost unanimous support on the highest level of government (from the Bush administration to the Obama administration) for the large multipurpose banks (Citigroup), insurance companies (AIG), and even investment houses (Bear Stearns). The tremendous controversy—and now potentially fatal terms demanded of GM and Chrysler—over what is now a relatively small sum compared to the swiftly granted billions for AIG is a sign that financial capital still has the upper hand in highest elements of the state.

But this is only the first round of a long drawn out battle that will lead, if capitalism survives, to a twenty-first century hybrid between two poles: (a) an intensely stringent regulatory regime imposed on financial innovations, with the capital released from the financial sector being directed to a new investment wave in “green energy” projects (from wind turbines, to Clean Coal technologies, to nuclear power plants) and biotechnology; or (b) a victory of the financial sector, the final “de-industrialization” of the US, and a universal reconciliation with a regime of bubbles and crashes.

The first pole describes an outcome that is reminiscent of previous periods of recovery from intense “financialization” and spec-

ulation, from the "Bubble Act" of 1720 in Britain after the South Sea Bubble and the French bourgeoisie's retreat to gold in the aftermath of the 1720 Mississippi Bubble to the Glass-Steagall Act after the stock market crash of 1929. It is a return to Keynesianism, but with "green" characteristics and without nuclear-armed Communist states, whose existence was being used by workers in the US and Western Europe as a constant threat to capitalists.

The second alternative describes an outcome bitterly recognizing the unconscious anti-capitalist side of Margaret Thatcher's shibboleth, "There Is No Alternative," when applied to the hegemony of the financial sector in neoliberal capitalism with its hellish conclusion: the market is the best (since the only) way to allocate the resources of the planet, even though it leads to an ever shorter cycle of boom, bubble, bust, and depression. Can the US become in the early 21st century something of a late 20th century Britain, existing without a significant manufacturing or agricultural base (leaving this part of the division of labor to China and other continents of cheap labor)?

That is, the financial sector will be "nationalized" or the nation will be "financialized" (or some combination of both). Either alternative alone is equally improbable. Some chimera of a Keynesianism meant to revive the industrial base (with a large "green" sector) and another round of reformed Neoliberalism meant to re-legitimate financial capital's adventures will be constructed, unless there is another force in the field that can use the crisis to forge a way out of capitalism. In the short term, Keynesian and "green" policies will be pushed—perhaps aided by the fact that capital movements (with which sustained Keynesian policies are not viable) are low due to the current crisis context. Some regulation will be implemented, and definitively—after the depth of the crisis—some reconciliation with a regime of bubbles and crashes will be promoted.

(ii) US Workers as Debtors

Karl Marx, the great 19th century anti-capitalist analyst, saw financial capital as purely related only to capitalists. He pithily wrote in the 1860s: "Interest is a relationship between two capitalists, not between capitalist and worker." In other words, interest appears to be an income paid to a financial capitalist, based on the money loaned. How the loan is paid back with interest is irrelevant. Interest is logically autonomous of the production process (although for Marx it is vitally dependent on the exploitation of workers somewhere in the system). Most crucially for us, Marx writes as if workers never receive loans and pay interest. This is important, for the credit system is like a capitalist common, since it offers the capitalist (or the person who can pass as a capitalist) "an absolute command over the capital and property of others, within certain limits, and, through this, command over other people's labor." Value detached from its owners becomes a common pool resource that, though abstract, gives tremendous power to those who can access it. This power was not to be shared with workers, at least not in the 19th century.

Marx got many things right about the future of capitalism, but here he failed to see the absorption of the propertyless but waged working class into the financial system. When he looked at workers' debt, he saw only pawnshops. Since workers had almost no property that could be used as collateral to take out loans from financial institutions and they had almost no savings to be used as deposits in banks, they were never important direct players in the financial world. In fact, many mutual aid and credit union organi-

zations sprang up in the 19th century because banks and other financial institutions considered themselves as having solely capitalists (large and small) as their customers or workers were too suspicious to hand over their hard-earned savings into the hands of financial capitalists. This is no longer the case. Workers' pension funds are an enormous source of capital for the system, and their debts comprise a large share of total indebtedness in the US (household debt is about 30% of the total debt in the US). Consequently, when we speak of financial crisis in the 21st century, we must speak of inter-class conflict as well as conflict among capitalists.

As noted in the previous section, workers in the neoliberal deal have been using the credit system to enter into the realm of non-wage income, i.e., to get access to the value common that had previously been the sole privilege of the capitalists. In doing so, they have posed a collective threat and opportunity to capital. The question is: Can capital operate in the 21st century without extensive working class participation in the credit system? Can capital return to the days before "life on the installment plan" and make credit the sole realm of capitalists again? There are many who are skeptical of either a definite "Yes" or a definite "No" to these questions for very good reasons, since the duplicitous character of financialization that we analyzed above cannot be easily "corrected." To block the working class completely (or even differentially) from access to the value of commodities, homes, and education via credit without returning to the wage struggle could be to invite an unacceptable level of class war; but to restart the machine with the working class having the same access to credit as it had before the Crisis could be to invite another repetition of the same cycle and struggle in short order. This is the capitalists' dilemma, of course, and they will have a devil of a time resolving it. But this process is not just simply a matter for capital to decide; much of the outcome lies in the actions of that sphinx, the global working class.

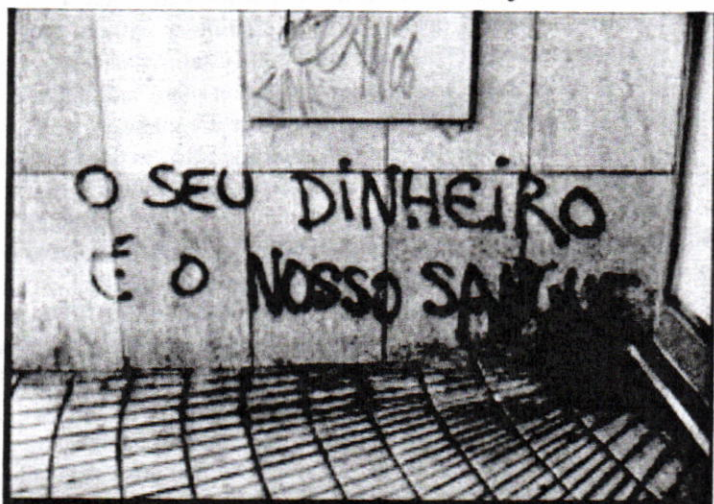
This dilemma intensifies the observation Marx made about the "dual character" of the credit system long ago: "on the one hand it develops the motive of capitalist production, enrichment by the exploitation of others' labor, into the purest and most colossal system of gambling and swindling, and restricts ever more the already small number of the exploiters of social wealth; on the other hand, however, it constitutes the form of transition towards a new mode of production." For the demand that the workers have increasingly made for access to the accumulated wealth their class has produced via the credit system also has the seeds of "a transition towards a new mode of production," even though it also is embedded in an equally colossal system of gambling and swindling.

(iii) The Crisis outside of the US and Western Europe: The Return of the IMF and World Bank

The importance of debt as a weapon in the course of class struggle is not new. It was most clearly shown in the "debt crisis" of the early 1980s, when African peasants and South American factory workers were saddled with enormous debts because of variable interest rate loans negotiated by their countries' dictatorial governments behind their backs in the 1970s when real interest rates were low (and in some cases even negative). But in 1979 interest rates skyrocketed, leaving peasants and factory workers holding the bag for debts that were many multiples of their country's GNP.

This constituted the "debt crisis" of the early 1980s that made it possible to squeeze an enormous amount of surplus value from

Africa, South America, and Asia by huge interest charges on old loans and by new loans from the IMF and World Bank to pay back old loans on the condition that these governments adopt Structural Adjustment Programs (SAPs). SAPs made it possible to pry open previously closed economies; substantially weaken the target countries' working classes; and allow US, Western European, and Japanese capitalists to access workers, land, and raw materials at extremely low cost. They were the foundation of what became known as "globalization," and the IMF and the World Bank became globalization's central control agencies, opening up countries that threatened to refuse to play by the rules of "free trade." Up until the post-Asian Financial Crisis of 1997, the SAP-dominated countries of the former Third World provided much of the flow of capital to finance housing and stock market booms in the 1980s and 1990s. Afterwards, China almost alone would do this job.



All this happened in the face of a tremendous struggle from the mid-1980s to the early 2000s. There were literally hundreds of what became known as "IMF riots" throughout the planet as well as armed revolutions that continually pressured the IMF, the World Bank, and the governments of the US and Western European nations to renegotiate loans, change loan conditionalities, and even write loans off. The struggle against SAPs became an international one, stretching from the forests of Chiapas to the streets around the IMF's and World Bank's headquarters in Washington, DC. Moreover, beginning with the rise of oil and commodity prices in the 21st century, the IMF and World Bank were being shunned by their former "clients" (more accurately, former "debt peons"). This was especially true of many oil-producing countries like Algeria, Nigeria, and Indonesia that were able to pay off a substantial part of their old loans and/or attract loans outside of the SAP-framework of the IMF and World Bank, e.g., Argentina's loan from Venezuela. Although total external debt was not reduced (or even increased) for many countries, the monopoly role of the IMF and World Bank was shattered, making it possible for countries to ignore these agencies' draconian "recommendations."

The Crisis, however, can change the power relations once again by drying up the alternative sources of funding (e.g., the Venezuelan government will find it difficult to lend to a South American nation nearing bankruptcy in this situation). As a consequence, there will be the possibility of a revival of the power of the IMF and World Bank as the global lenders of last resort, with all the power that this role implies. For the external debt for many

countries has far from vanished, and under the pressure of the crisis it will dramatically increase. Indeed, the G-20 governments have agreed to expand IMF reserves to \$1 trillion, and the IMF has already imposed SAP-like conditionalities on several bankrupt East European nations. Going back to the vomit of SAPs would be a historic defeat and an invitation to a new wave of neo-colonialism.

One vehicle of return is global warming, which poses an ecological limit to the forced growth of capitalist regimes. Undaunted, the usual northern players (including the World Bank) are investing in a horrific series of "solutions" to global warming in the South rather than reducing the causes of northern emissions. Agrofuels (Genetically Modified (GM) soya, African palm, sugar cane, jatropha, and all kinds of GM monstrosities in the near future) are menacing southern farmers with the greatest enclosures yet. Half of Argentina's arable land is already a "green desert" of GM soya, without speaking of Paraguay and Brazil, while the African palm has replaced a huge proportion of Indonesia's forests and is now being used to attack the Afro-descendant communities in Colombia. India is planning more than a million hectares of jatropha (which means expelling about as many peasants). And Nigeria talks about industrial farming to counter struggles over oil and land in the Niger delta.

The Crisis will put more power in the hands of the World Bank and IMF to open up the economies of the Third World to even more projects like these, while simultaneously (re)introducing the austerity programs that gutted already inadequate education, health, and social services. For example, carbon trading will allow the North to continue to pollute while financing dams and other "big" developments in the South. Through the IMF, SAPs, and "development," the "global south" will be made available to complement if not replace the Chinese workers that have been demanding higher wages. You have to hand it to those capitalists. They try to make a buck out of anything—even the end of the world!

3B. WORKING CLASS RESPONSE TO THE CRISIS

One of mysteries of this Crisis has been the delayed and sporadic response by workers to its serious implications in the US. Few actions have taken the financial and economic Crisis directly as its point of opposition in the US (e.g., there has been no large demonstration in Washington, DC, protesting the consequences of the crisis). We can point to the factory occupation of the Republic Window and Door plant by workers who demanded and got severance by bringing in the fact that Bank of America had been the banker of their employer and had not given a loan that would have kept the factory in business. There have been actions against foreclosures and the organized squatting efforts in a wide variety of areas: Boston City Life has had blockades of bank evictions; IAF in LA set up a group to deal with banks collectively; in the Miami area "Take Back the Land" is seizing foreclosed or abandoned suburban homes for displaced families to live in; ACORN has been active in the San Francisco Bay and other areas in organizing resistance to foreclosures. Nonetheless, there is a disconnect between the number of these actions and the profundity of the crisis.

Undoubtedly Obama's election campaign absorbed enormous political energy and directed it away from the street and into the electoral path. He clearly appealed to a vast area of what he calls "the middle class" by offering a non-revolutionary exodus from the Crisis. His candidacy provided a stroke of short-term luck for the system and will undoubtedly buy valuable time in the near future,

but the threat of what will follow his failure to start the accumulation machine after audaciously evoking hope for a revived capitalism without enormous working class sacrifices still remains.

Around the world, however, we see a tremendous surge of working class action in the last year under the rubric of protesting the food and energy price hikes that were part of the speculative financial mechanisms leading to the Crisis.

We see in China the beginning of one of the most decisive moments of the Crisis: Will the Chinese working class abandon the cities once capital commands it and return to a privatized countryside?

People in Europe have responded particularly strongly and quickly to the crisis, especially in its Southern peripheries (Italy, Spain, and Greece) and Northern peripheries (Ireland, Iceland, Latvia).

In Italy repeated waves of strikes, tending towards general strikes, have mobilized literally millions of workers throughout the country.

In Spain, a country where the speculative housing and construction boom is rapidly unraveling and causing great social dislocation, there was a major day of protest throughout the country on November 15th in response to the G20 meeting, which took place in Washington with the aim of shoring up the international financial system. Bank workers have also staged an occupation of the main branch of the BBVA Bank. And, within days of Lehman Brothers going under, "Robin-Bank" announced that he had stolen close to half a million euros from 38 Spanish Banks in order to give the money to emancipatory social movements.

In Greece, mass riots and protests were triggered by the police murder of Alexis Grigoropoulos, but also coincided with a strike that had been called previously by two major unions. It has turned into a many-day major social uprising, in a country where youth unemployment is as high as 70% in some places, even prior to the effects of the world economic crisis being felt.

Importantly, in all three of these countries, a common slogan has emerged in a very short space of time: "We will not pay for your crisis." As a flyer from the Greek struggle announces: "Nothing will ever be the same." It expresses a level of revolt against the conditions of degradation, exploitation, and exclusion that the Crisis will undoubtedly intensify in Greece and beyond.

Iceland, Ireland, France, Latvia, Bulgaria, and a number of other European countries have been the site of mass demonstrations, uprisings, collapse of governments, and a revival of anti-capitalist movements that had been dormant for decades.

4. THE CONSTITUTION OF THE COMMONS IN THE CRISIS: EATING FROM A DISH WITH ONE SPOON

Struggles circulate, and open struggles against the consequences of the crisis will soon explode in the US. What apparently began as a financial crisis that turned into an economic one is soon to be called a "political crisis." The abject destruction that capitalists have created with their "management" of the two great commons of labor and the planet's eco-system will stop being considered a "tragedy of the common" (where no one in particular is responsible) and come to de-legitimate the capitalist class as a whole. These crises have been predicated on the presumption that labor and the planetary eco-system are common resources to be used and abused for the profit of anyone who has (or successfully pretends to have) the capital to appropriate them.

The capitalist class is unable to control the common pool of resources that make up our means of production and subsistence with-

out creating terminal damage. Who can do better? Though many workers in the US might not rise to the challenge today and continue to look to their bosses for salvation, we still should say what the logic of the struggles indicates should be done. Let us be guided by the words of Thomas Paine in *Common Sense*, who in a previous period of revolutionary crisis noted that most everybody favored independence in the days before the Declaration of Independence was promulgated. The only issue was the timing: "We must find the right time," they said. Paine answered, "The time has found us!"

The Crisis has shown for all who have eyes to see that State and Market have certainly failed in their claim to provide a secure reproduction of our lives. Capitalists have conclusively shown (once more) that they cannot be trusted to provide the minimal means of security even in capital's heartland. But they hold hostage the wealth generations have produced. This pool of labor past and present is our common. We need to liberate, to re-appropriate that wealth—bringing together all those who were expropriated from it, starting with the people of the First American Nations and the descendants of the slaves, who are still waiting for their "forty acres and a mule" or its equivalent. We also need to construct collective forms of life and social cooperation, beyond the market and the profit system, both in the area of production and reproduction. And we need to regain the sense of the wholeness of our lives, the wholeness of what we do, so that we stop living in the state of systematic irresponsibility towards the consequences of our actions that capitalism fosters: throw away tons of garbage and then don't think twice, even if you suspect that it will end in some people's food, as smoke in somebody else's lungs, or as carbon dioxide in everyone's atmosphere.

This is the constitutional perspective we can bring to every struggle. By "constitutional" we do not mean a document describing the design for a state, but a constitution of a commons, i.e., the rules we use to decide how we share our common resources. As the indigenous Americans put it, in order to collectively eat from a dish with one spoon, we must decide on who gets the spoon and when. This is so with every commons, for a commons without a consciously constituted community is unthinkable.

This means we have to craft a set of objectives that articulate a vision in any context of class struggle, turning the tables on capital at every turn. First, we need to establish what violates our rules as we are constituting the commons. What follows is a sample of such immediate taboos. We cannot live in a country:

- * where 37 million people are hungry;
- * where the cost of surgery kicks you out of your home;
- * where going to school rots your mind and leaves you in debt peonage;
- * where you freeze in the winter because you cannot pay the heating bill;
- * where you return to work in your 70s because you have been cheated out of your pension;
- * and where work that produces murder and murders its workers is sold as a path to "full employment."

These are very elementary taboos, but they have to be loudly pronounced. Though the system has shown itself to be bankrupt, many still listen to its siren songs.

The time has come for us in the anti-capitalist movement to propose a constitution of rules by which to share the commons of past labor and present natural resources and then concentrate on building political networks capable of realizing it. At revolutionary junctures

in US history (like the Civil War, the Great Depression, the Civil Rights/Black Power Movement), a basic constitutional change within the working class is manifested in action (the years-long “general strike” of slaves in the South during the Civil War, the innumerable factory clashes, the “sit-ins,” as well as many “hot” summer insurrections in city after city, respectively) and is “captured” by a law or even “a constitutional amendment” (like the 13th and 14th Amendments, the Wagner Act, the Voting Rights Act, respectively).

But US history is not alone in connecting crisis, revolutionary transition, and constitution. There has recently been a whirlwind of constitutional politics throughout the Americas south of the Rio Bravo in the last two decades. From the Zapatistas’ call for a new Mexican constitution, to the many constitutional transformations in Venezuela, to the most recent Bolivian constitution that formally recognizes the commons, there has been a formal statement of *potencia* (or “power to”) instead of *poder* (or “power over”). It is exactly this spirit that the Zapatistas, in *The Sixth Declaration of the Lacandon Jungle* (2005), have called for: “We are also going to go about raising a struggle in order to demand that we make a new Constitution, new laws which take into account the demands of the Mexican people, which are: housing, land, work, food, health, education, information, culture, independence, democracy, justice, liberty and peace. A new Constitution which recognizes the rights and liberties of the people, and which defends the weak in the face of the powerful.”

We should formulate demands, objectives, programs of struggle around the main elements of our lives—housing, work, income—all in view of guaranteeing our livelihoods, building cooperation and solidarity, and creating alternatives to life in capitalism. We need to build a movement that puts on its agenda its own reproduction. We have to ensure that we not only confront capital at the time of the demonstration or the picket line, but that we confront it collectively at every moment of our lives. What is happening internationally proves that only when you have these forms of collective reproduction, when you have communities that reproduce themselves collectively, can struggles come into being that move in a very radical way against the established order.

This is our constitutional politics. It is not a list of demands or grievances, but an expression of who we are becoming, i.e., our constituting our being.

For instance: Let’s guarantee housing to each other. This means not only “No” to evictions, but the reoccupation of houses that have been abandoned, the distribution or occupation of the empty housing stock that lies all around us; the collectively decided self-reduction of rent of the kind that was carried out in Italy in the 1970s; the creation of new housing that would be organized collectively and built ecologically. Short of that we should build our version of “hobo jungles” on the steps of the White House, open soup kitchens there, show the world our empty pockets, our wounds, instead of agonizing in private.

For instance: Let our struggle over housing be a struggle for the reorganization of work reproductive of daily life on a collective basis. Enough of spending time in our solitary cages with trips to the mall as the climax of our sociality. It is time for us to join with those who are reviving our tradition of collective, cooperative living. This “year-zero” of reproduction that the capitalist crisis creates, as evinced by the mushrooming of tent cities from California to North Carolina, is a good time to start.

For instance: Let’s struggle in such a way as to disable the mechanisms that perpetuate our exploitation and divisions. To en-

sure that our struggles are not used to divide people on the basis of differentially dished out rewards and punishments, we must continually raise the issue of reparations, i.e., the price paid and that continues to be paid for the racist, imperialist, sexist, ageist, chauvinist, ecologically destructive deals US workers have accepted.

For instance: Let’s call for a life where our survival does not depend on constant war on the people of the earth and on our own youth. We must speak against war in Iraq and Afghanistan, and against the butchery in Palestine.

For instance: Let’s speak against prisons, the politics of mass incarceration, and the obscurity of pumping employment and business profits by putting people in jail. We must call for the abolition of capital punishment...even for capitalists! And most importantly we need to redefine crime, exploding the logic that sees a horrendous crime when a proletarian robs a liquor store, but calls capitalists’ crimes that lead to the death and destitution of thousands “accidents,” “mistakes,” or even “business as usual.”

For instance: Let’s also speak about male violence against women. What struggles for the constitution of the commons are we going to make when every 15 seconds a man beats a woman in the US? How much energy would be liberated for the struggle, if women did not have to fight men, often even to be able to fight the system?

For instance: Let’s revive our social imagination after decades of defensive reactions to neoliberal enclosures and determine new constitutions of the commons. Of course, what our imaginations can suggest now is limited and only a preparation for attaining another level of power and capacity to envision. But even with this poverty, we can hear snatches of a medley of “musics from possible futures.” Listen to two musicians in our midst:

* “The future commons boils down to two elements: access to land (i.e., food and fuels); and access to knowledge (i.e., capacity to use and improve all means of production, material or immaterial). It’s all about potatoes and computers.”

* “The wage system should be dismantled immediately. Given the existence of the internet, of 21st century accounting methods, and of direct deposit, it would be possible to immediately move toward a guaranteed income, at first in monetary terms, with everyone having access to an “account” upon birth, and with a responsibility to a minimum of socially necessary labor time—including housework of all kinds, art work, writing, etc., and political activity (participation in assemblies, sitting on juries, or whatever). This would create an incentive for cooperative living in that everyone that can reduce their housework hours through cooperation can have more time available for other activities. This guaranteed income would replace the insurance, finance, welfare state agencies, and other sectors, freeing millions of people to participate in cooperative activities, reducing further everyone’s socially necessary work time.”

* “The only feasible way of doing agriculture on this planet is intensive, mixed-crop, organic production. This form of agriculture is hopelessly unprofitable under current conditions—so a new type of cooperation between consumers and producers (in fact the abolition of this distinction) must be found, transforming agricultural work into a part of housework for everybody.”

* “The financial system should immediately be replaced by assemblies and community-based ‘credit unions’ that can decide where to put community resources, demystifying ‘finance’ as societal planning.”

* "If the livelihood of people is guaranteed by subsistence and general services on all levels, free sharing of intellectual production is possible without endangering the survival of its producers. The planet can become a sphere of free exchange of knowledge, know-how, and ideas. Additionally to this intellectual commons, a material commons must be instituted to establish a just distribution of resources."

For instance:...

5. CHARACTERISTICS OF REVOLUTIONARY STRUGGLES THAT MOVE BEYOND CAPITAL

The struggles that have brought on the crisis, especially those in Latin America, from Mexico to Argentina, have laid down the foundational experiences of contemporary struggle for the "constitution of the commons." We believe that these experiences are important for the US anti-capitalist movements, and we have tried to identify some characteristics of these struggles (especially those of the Zapatistas and other groups arising from indigenous Americans).

One of the most important distinctions to make (but most difficult to draw) is that between those that are on the "inside" (what we sometimes call "social democratic") and those that are "autonomous" or "outside." In a way, this distinction is a variant of one between "reform" and "revolution" in the anti-capitalist politics of the first part of the 20th century when "reformist" social democratic parties were important institutions.

The "inside/outside" distinction, however, is not a spatial one, but one of political relation. "Inside" means demands on a (state/market) institution that is normally dedicated to reproducing the labor-capital relation, while "outside" means communal appropriation of de/non-commodified resources, perhaps in parallel with formal demands. Either can happen anywhere, just as commons can be maintained or created anywhere. The two aspects can be complementary or contradictory. For example, appropriation can be enhanced and/or undermined by demands made on an institution. Either can be means to build alliances and express needs beyond those making the demands. By analyzing inside/outside relationships and potentials in specific contexts, a movement can clarify its strategy.

The inside struggles are waged primarily within existing institutions and arenas, such as the state, corporations, the legal system, traditional civil society, or traditional cultural constructs, the goals of which are generally to increase working class income, commodity wealth, and power within the system, without directly challenging the capitalist organization of society or creating collective alternatives to the capitalist system. They typically take the form of demands on the system. However, they may at times be quite confrontational and push the bounds of capitalist legality and propriety. Such willingness to openly confront the system is very valuable, at least at this point in the US, since it has greater likelihood of transcending initial demands.

By contrast, "outside," autonomous struggles strive to create social spaces and relations that are as independent of and opposed to capitalist social relations as possible. They may directly confront or seek to take over and reorganize capitalist institutions (a factory, for example) or create new spaces outside those institutions (e.g., urban gardening or a housing cooperative) or access resources that should be common. They foster collective, non-commodified relations, processes, and products that function to some real degree outside of capitalist relations and give power to the working class in its efforts

to create alternatives to capital. In the US many of these struggles appear as outside the formal economy. A number of MN friends have recently commented on these kinds of struggles. Massimo De Angelis writes in a definitional spirit in *The Beginning of History*:

When we reflect on the myriad of community struggles taking place around the world for water, electricity, land, access to social wealth, life and dignity, one cannot but feel that the relational and productive practices giving life and shape to these struggles give rise to values and modes of doing and relating in social production (shortly, value practices). Not only that, but these value practices appear to be outside corresponding value practices and modes of doing and relating that belong to capital...The "outside" with respect to the capitalist mode of production is a problematic that we must confront with some urgency, if we want to push our debate on alternatives onto a plane that helps us to inform, decode, and intensify the web of connections of struggling practices (DeAngelis, 2007: 227).

Chris Carlsson has mapped some part of this terrain in the US in his *Nowtopia* where he writes:

Community gardening, alternative fuels, and bicycling, on the other hand, all represent technological revolts that integrate a positive ecological vision with practical local behaviors...Taken together, this constellation of practices is an elaborate, decentralized, uncoordinated, collective research and development effort exploring a potentially post-capitalist, post-petroleum future (Carlsson, 2008: 45).

That is, the social democratic approach tries to use existing institutions to increase the power of the working class in its relation with capital, while the autonomous approach tries to move independent of existing institutions and to build a non-capitalist society.

This "outside"/"inside" distinction, however, is not easy to make. After all, just because you write on your banners in red and black that you are a Revolutionary Outsider, it doesn't follow that you are. "History" will have to judge, and often the answer is long in coming. Moreover, those who wish for a short answer should remember the warnings of our situationist friends who point out to us the difficulties in making this inside/outside distinction in a society that is dominated by the endless flow of images, metaphors, and dialectical hooks, where A is easily turned to not-A (and back again) in a flash, and the "outside" can easily be turned "inside out."

We believe, however, that working class struggles in the Americas are becoming increasingly autonomous, and this distinction between reformist and autonomous struggles is central to much of the political discussion that has been permeating Mexico, Venezuela, Bolivia, Brazil, Uruguay, Argentina, and Ecuador. It certainly has been central to the Zapatistas and the debate they initiated with their "Other Campaign" in 2005, when they offered a non-electoral alternative to the Obrador presidential campaign of the social democratic PRD (Partido Revolucionario Democrático). The "other Campaign" was an extended, cross-Mexico conversation between the Zapatistas and local activists in dozens of communities,

sharing experiences of struggle and asking how authentically democratic politics might be constructed. We are learning from this rich discussion and are trying to walk in the direction it has pointed.

First, we must note the inevitability of many “inside” struggles. Indeed, most struggles against the destructive consequences of the crisis at this time in much of the world at least start from the “inside.” But such struggles may escape the bounds of being “inside.” Our intent is that the characteristics we identify below can help determine whether social democratic struggles create, or are likely to create, conditions that foster real alternatives to capital. That is, whether they foster or lead to “autonomous” struggles, rather than confine struggles to the systems’ limits, perpetuate or recompose divisions within the class, or turn those involved off to any possibility of future revolutionary struggles.

Autonomous struggles, however, are far from free of the need for careful scrutiny and thoughtful evaluation. What are the characteristics of anti-capitalist “autonomous” struggles? After all, autonomous struggles may be co-opted or isolated, they may not generalize, they may privilege some class sectors over others, etc.

History has “many cunning passages,” and not only may social democratic struggles develop in increasingly autonomous directions, but autonomous struggles can support, inspire, and guide struggles that emerge in an inside context. Some people might be involved in both forms. And in the real world, many struggles are likely to blur this schematic categorization, perhaps in their initial action, but also in their evolution (for example, the Greek battles sparked by the murder of Alexis Grigoropoulos in Athens). The following are a series of characteristics of revolutionary struggles that we have gleaned from this anti-capitalist experience, especially from the struggle against genocide and mass murder in the service of capital that has turned the tide in the last decade from Oaxaca and Chiapas to Tierra del Fuego.

1. The struggles subvert class hierarchy—between working class and capitalist class, within the working class, and within nations and internationally; racially; between women and men; between immigrants and citizens; and between diverse cultures. Their demands lead to greater equality if won (and perhaps even if not

won) because of how the battle is fought. The needs of those “on the bottom” (the poorest economically, least powerful socially or politically) are to be put first in an explicit way that builds unity and sustainability.

Social democratic demands continue generally for access to wealth: wages and income, work time, job security, pensions, health care, housing, food (which may mean land in many cases), and education. (Some of these comprise the indirect wage—which is more apt to be in some ways socialized, a form of commons, even if within capitalism). Do such struggles privilege the already relatively privileged/powerful, would “victory” lock into place greater inequalities? Similarly, do autonomous actions include or exclude the least powerful socially or economically?

2. The struggles increase class unity, bringing together different class sectors in positive, mutually strengthening relationships, overcoming divisions within the class. They go beyond single issues, connecting them, without diminishing the significance or value of those issues. This unity must become planetary. As another MN friend, Kolya Abramsky, writes in “Gathering Our Dignified Rage”: Do these struggles “expand and deepen global networks... towards an accelerated process of building long-term autonomous and decentralized livelihoods based on collective relations of production, exchange and consumption that are based on dignified livelihoods?” (Abramsky, 2008). In an older terminology, these struggles increase the “political recomposition” of the working class, as defined by the editors of *Zerowork* in the mid-1970s: “the overthrow of capitalist divisions, the creation of new unities between different sectors of the class, and an expansion of the boundaries of what the ‘working class’ comes to include” (MN, 1992: 112).

3. The struggles build dignified inclusion in community. The walls of exclusion and apartheid come down in revolutionary struggles—including, in our time, the walls against immigrants, prisoners, gays and lesbians, and historically oppressed races and peoples. They respect the otherness *and* commonness of the other so as to be more aware of her/his needs, especially the less powerful at present. They aim to ensure that we all treated one another with dignity.

4. The struggles strengthen the commons and expand de-commodified relationships and spaces. The commons is a non-commodified space shared by the community. Social democratic versions include such things as health care, education, social security—however imperfectly realized. However, does the struggle also support bringing the bottom up, expanding inclusiveness and participatory control? On the other hand, are autonomous sectors able to avoid commodification (avoid being turned into business products or services for sale)? Even if they cannot do so completely, can they maintain a political stance and active behavior that pushes towards non-commodity forms? More generally, how can the working class on small or large scales create forms of exchange that are or tend toward being de-commodified? Create markets (forms of exchange) that do not rule lives and livelihoods? Reduce the reach of commodification and capitalist markets on people’s life?

5. The struggles enhance local control and participatory control. “Local” is not a geographical term, it means that decisions are taken as close to those involved as possible; participatory means



that all those affected have a real voice in the decisions. This puts on the table the issues of who makes decisions and how.

Much of what we know as autonomous action is local and almost definitionally includes "local control" of some sort. Social democracy historically does not. Indeed, one of its hallmarks is the reliance on a large, bureaucratic, intrusive, and hard to influence state apparatus. This state was the target of a widespread working class attack in the 1960s, which, however, was turned against the working class and used by the right wing to promote neoliberalism. Can the working class make social democratic demands/struggles that include the demand and fight for local and/or participatory control? (There were aspects of this in some early war on poverty programs, but these were eliminated or co-opted once the US state saw danger in its "miscalculation" on this.) More generally, do "inside" struggles help support "outside" struggles?

Are there ways to move social democratic struggles towards more autonomous action? Example: battles for government support of urban gardening may also push for control through local, participatory democratic bodies, rather than city or state government. Factory struggles may begin as "inside," but the participants may come to organize themselves in assemblies, etc., take over and control production cooperatively, and then set up cooperative support across factories and other sectors (as happened in Argentina after its economic collapse). Indeed, many union struggles (the quintessential "inside" struggle) reached a turning point that transformed them into outside struggles as an examination of "general strikes" will show. However, even in autonomous developments, participatory control is not guaranteed, either at the level of writing the rules or in ongoing practice. So in the various areas of reproduction (health care, food, education, housing) and production, what would participatory democratic control look like, and how can it be fought for in ways that win in the specific area and decrease divisions in the class?

6. The struggles lead toward more time outside of capitalist control. In particular, this means a shorter work-week for the waged and unwaged. It means recognizing "women's work" as productive, creating income for those doing this work as well as expanding who does it. How can we ensure that a shorter waged-work-week does not further empower men relative to women? Or some class sectors over other class sectors? That is, how can victories in the realm of time be egalitarian?

7. The struggles reduce the staggering wastefulness and destructiveness of capital, of lives, time, material wealth, health, and environment (air, land and water), but these reductions happen in ways that do not penalize other workers. Example: in the US there is huge waste (as well as profiteering) in the medical insurance bureaucracy. Single payer proposals could eliminate lots of that—but also throw many people out of their jobs, intensifying inequality. What will have to be done so these folks are not economically destroyed? Of course, from a working class perspective, things like the military and weapons production are destructive to the point of insanity, so should be eliminated. Reducing waste of some sorts may benefit some while not benefiting others (for example, if it leads to reduction of waged work time, it may not help mothers with kids)—so inclusion must be considered when "capitalist wastefulness" is addressed.

8. The struggles protect and restore ecological health. Struggles facilitate a healthier, more holistic approach to the planet. For example, battles to save jobs in industries that foster ecological disaster need to be addressed; there are now and will be such battles.

Land, air, and water are of crucial importance. Agribusiness, global commodification, bioengineering, and war lead to pollution, erosion, dams, flooding, deforestation, global warming, diminishing diversity, and the death of land and oceanic ecosystems. In replacing agribusiness as the mode of food production, closer human relations to food production are to be fostered.

9. The struggles bring justice. Too often, exploiters and oppressors have acted with impunity. Thus the real criminals must be brought to justice for healing to occur. Revolutionary justice is bottom up, and new forms of enacting justice should be consistent with the other revolutionary characteristics, e.g., "No" to capital punishment even for capitalists.

Beyond capital. We have located these characteristics of revolutionary struggles from our knowledge of histories of struggles (especially in the Americas) and our own experiences. We do not claim they are definitive, but we do see them as interlinked. Our hope is that this necessarily incomplete list of characteristics of revolutionary struggles (since revolutions in their nature will create unforeseen realities and characteristics) can be remembered to protect our struggles from not being turned back against us, as has too often happened in the past, and can help create a world beyond capital.

CONCLUSION: CRISIS—WAR—REVOLUTION

Revolutionary struggles of the character we described above are undoubtedly being unleashed in the Crisis. However, there is a terrifying mediator between crisis and revolution—*War*—giving a somber edge to our joy.

It would be a pleasant denouement if capitalism simply stops existing after a long slow process of dissipation and another friendlier mode of production and subsistence takes its place without anyone noticing. Perhaps for a long time what we call capitalism might be replaced without the name of the prevailing mode being changed. After all, there is no logical necessity for huge, terrifying creatures to always have huge, terrifying endings. Might we not wake up one morning, long after a constant threatening drone has stopped, and say to our mates, "The drone has stopped," then go out to meet a new day? Couldn't our capitalist rulers depart as quietly as the Communist bureaucrats of the GDR in 1989?

This kind of ending is possible, but not probable. The system has many indices and self-sensors (e.g., the revenues derived as profits, interest, rent) with immediate consequences and alarms for its rulers. A fall in any of these revenues alerts its recipients that something is dramatically wrong, and they will demand action from the state to return their profits, interest, or rents to an "acceptable" level. Given the often unspoken but widely shared recognition that a such fall in these revenues is rooted in a reduced availability of surplus labor and the increased cost of non-human means of production (due to the ecological struggles), the hypothesis is that this reduction in the rate of profit needs to be "corrected" by increasing exploitation of workers and reducing the costs of production (especially of raw materials) by shifting the cost of ecological regeneration onto the working class.

The previous history of crises indicates that the preferred path to increasing exploitation and reducing costs directly passes through war, violence, and repression to terrorize workers and separate indigenous and agricultural people from their attachment to their land and its wealth. Certainly the possibility of an irenic capitalism was negated in the early 1990s with the initiation of the "fourth world war" (against people and states that refused the neoliberal New Enclosures) immediately after the end of the "third world war" (against communist states).

In this crisis too there will be conflicts in a still-to-be-envisioned "fifth world war" that will not just involve repetitions of neoliberal wars intended to discipline a recalcitrant subordinate state into "playing by the neoliberal rules" of world trade (like the invasion and occupation of Iraq). That is why we began and now will end this tract on crisis and revolution with the fatal bullet that pierced Alexis Grigoropoulos' youthful body. It eternally reminds us that capitalism in the final analysis is a cold, violent, and murderous system. Thus, the most important step in planetary "harm reduction," while we traverse the trajectory from crisis to revolution, is to disarm the state and capital as much and as soon as possible.

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